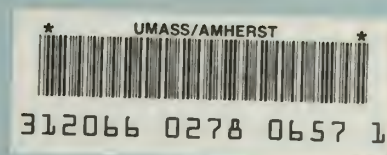


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Community Development Series



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CETA



and Housing Rehabilitation

December 1978



State Employment and Training Council
Department of Manpower Development
with the
Department of Labor and Industries

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RALPH E. JORDAN
EXECUTIVE DIRECTOR
STATE MANPOWER
SERVICES COUNCIL

Dear Friend,

Perhaps the most exciting event currently unfolding in the Commonwealth of Massachusetts is the rejuvenation of our older city neighborhoods and town centers. A result of strong state leadership and firm cooperation between the public and private sectors, it has become the model upon which our national urban policy is now based.

The State Employment & Training Council has found that the CETA program has in many instances played an important role in this restoration, particularly in the area of housing rehabilitation. This handbook, produced by the State Employment & Training Council staff in the Department of Manpower Development, with the assistance of the Department of Labor and Industries, describes this role in detail.

It has been charged that in some parts of our older cities, those which have been "rediscovered" by young, upwardly mobile families, the very community development programs which were intended to primarily benefit low and moderate income persons, have been used in a new subtle version of the renewal bulldozer - a sort of urban renewal neutron bomb. This situation is the direct result of rapidly rising property values, reflected ultimately in higher property taxes, rents, and house prices, and a devastating situation for low-income homeowners and tenants.

The CETA program, in contrast, is specifically mandated to serve low income people, and can help to ensure that some of the benefits of neighborhood improvement go directly to those most in need. Coupled with other community oriented programs, CETA funded rehabilitation can help encourage upgrading for existing low-income residents rather than their displacement by those with higher income.

One common misconception is that CETA participants are being used to displace union workers in neighborhood revitalization construction-related projects. In reality, the CETA subsidy actually serves to increase the opportunities for non-subsidized employment.

CETA participants are only used in projects which benefit lower-income persons and neighborhoods. These are projects which would otherwise have been economically unfeasible, and would never have been undertaken.

In many cases, as we shall see, CETA-subsidized projects have actually employed union journeymen as supervisors, and have used private contractors to perform those parts of the work which require substantial skill and experience.

In other cases, middle income homeowners, encouraged by the projects which have assisted the neighborhood's lower-income residents, have undertaken improvements without public assistance, which further leverages employment for skilled tradesmen.

In these days of the "new partnership," and with jobs and cities at stake, it is essential that we begin to improve the coordination and implementation of the various state and federal resources available to our cities and towns.

Sincerely,

A handwritten signature in dark ink, appearing to read "R E Jordan", with a stylized flourish at the end.

Ralph E. Jordan
Executive Director
State Employment & Training Council

A handwritten signature in dark ink, appearing to read "Nicholas Roussos", with a stylized flourish at the end.

Nicholas Roussos
Commissioner
Department of Labor and Industries

CETA and Housing Rehabilitation

This report was prepared with the aid of a grant from the Governor's 4% Discretionary Fund and was produced through the combined efforts of Don Borchelt, Dorothy Cook, Millie Erb, Jim Keefe, Sarah Rubin, Phil Shapira, Jan Simpson and Barbara Sullivan of the SETC staff. It is based upon a series of working meetings between the SETC director, the Commissioner of Labor and Industries and members of their respective staffs, concerning the variety of problems encountered by CETA subsidized housing rehabilitation projects. The need for a source of accurate information became apparent to the participants. After months of research, and considerable review, this handbook is the result.

The State Employment and Training Council (SETC) acts as an advisory body to the Governor and assists in the coordination, planning, and implementation of employment and training programs in the Commonwealth. It consists of chief administrative officials of the State's larger cities and representatives of business, labor, government, community groups and the private sector.

The SETC staff serves the State Employment and Training Council and its committees in the development and implementation of State employment and training policies. In addition, through the Department of Manpower Development, the SETC staff develops, monitors, and evaluates programs funded from the Governor's 4% and 5% Comprehensive Employment and Training Act Discretionary Funds; reviews the annual plans of the major employment and training service providers within the Commonwealth; coordinates the activities being undertaken by employment and training agencies; provides technical assistance to prime sponsors and CETA project operators; and compiles and publishes an annual employment and training report for the Governor.

The Department of Labor and Industries is the agency responsible for enforcing the Commonwealth's fair labor standards, and occupational health and safety standards. It is also responsible for implementing and monitoring the apprenticeship training program across the state.

Special thanks are due to the many members of the CETA system, prime sponsors, subgrantees, and CETA project operators, who have helped in the preparation of the housing rehabilitation case studies reported in this handbook. If it were not for their efforts, there would be nothing to talk about.



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Preface

What This Handbook Does



As part of its overall goal to aid the unemployed, underemployed, and economically disadvantaged, the Comprehensive Employment and Training Act (CETA) encourages the development of employment opportunities through public service-oriented projects. For public authorities, community organizations and other non-profit agencies, one of the most appropriate uses of CETA public service resources is the rehabilitation of existing low-income private housing. Such projects can provide a meaningful work experience which increases participant employability, as well as having a substantial positive impact upon local communities.

Chapter 1

Introduction



1. What is CETA?

Enacted in 1973, the Comprehensive Employment and Training Act (CETA) is a federally-funded program designed to aid the unemployed, the underemployed and the economically disadvantaged.

The CETA System

To decentralize the administration of the program, there is a network of CETA "prime sponsors." Massachusetts has nine prime sponsors, eight of which (Boston, Brockton, Cambridge, Fall River, Lowell, New Bedford, Springfield and Worcester) are cities or

consortia of cities and towns with populations of over 100,000. Serving their cities and surrounding areas, prime sponsors receive their funds directly from the U.S. Department of Labor. The mayor or city manager of the lead city is responsible for the administration of the CETA program in that area.

For the remaining areas of the Commonwealth, the Governor serves as chief administrator of the "Balance of State" prime sponsor. Local participation in the administration of the Balance of State allocation is achieved through seventeen local consortia, with the chief elected official (either the mayor or the chairperson of the board of selectmen) of one municipality within the consortium designated as the "subgrantee." The subgrantee establishes a local CETA office, hires a CETA Director and other staff and receives funds from the Balance of State prime sponsor to serve the consortium area.

The U.S. Department of Labor (DOL) is the federal agency responsible for administering CETA. DOL receives the Congressional appropriation and allocates these funds to prime sponsors based on formulas contained in the legislation. DOL also issues regulations with which prime sponsors must comply. Within this framework, specific program priorities and policies are generally left to the discretion of the prime sponsors. The Massachusetts prime sponsors are part of DOL Region I, whose office is located in the John F. Kennedy Building, Government Center, Boston.¹

CETA Employment and Training Programs

CETA funds a variety of programs, including training and support services for economically disadvantaged persons, transitional public service jobs, and youth employment and training programs. CETA housing rehabilitation endeavors have been funded as public service jobs programs; a few have received youth funds as well.

CETA public service jobs must be used in programs which provide new or expanded public services which would not be accomplished with existing funds and which provide employment opportunities for long-term unemployed and economically disadvantaged persons. Rehabilitating low-income private housing is clearly an activity which conforms to these criteria.

The specifics of funding for public service employment, training, and youth programs are in transition as this booklet goes to press because the Comprehensive Employment Training Act is awaiting

¹For more information on CETA and its administration in the Commonwealth, the State Manpower Services staff has produced a booklet called Introduction to CETA: A Handbook for Non-CETA Administrators. Copies can be obtained by writing to the State Manpower Services Council, Department of Manpower Development, C.F. Hurley Building, 4th Floor, Boston, Massachusetts, 02114.

Congress in October, changes many of the details regarding maximum wages, administrative funds, and duration of CETA projects.

While parts of the new law take effect immediately, much will await the final publishing of regulations, scheduled for April, 1979. In addition, local CETA Prime Sponsors will have the option, in many cases, of applying more rigid policies than those promulgated in the regulations.

The new law has changed some of the title designations:

	Old Law	New Law
Training	Title I	Title II A,B,C
PSE	Title II	Title II D
Youth	Title III	Title IV
PSE (counter-cyclical)	Title VI	Title VI

Most programs discussed in this handbook were funded under the old Title VIB, which authorized twelve month public service projects. VIB provided for workers' wages (up to \$10,000 per year), fringe benefits, and an additional 5-15% in administrative money. The new Title VI will be slightly different.

2. Who can operate a CETA Rehabilitation Project?

A wide range of organizations and agencies can operate CETA rehabilitation projects, including:²

- * community-based and neighborhood organizations
- * community development corporations
- * non-profit public service organizations
- * local government agencies such as community development departments
- * housing or redevelopment authorities
- * regional planning authorities
- * state agencies
- * local education agencies, colleges or universities

Within the categories of community-based and non-profit organizations, eligible project operators include community action agencies, city or county-wide community organizations, local neighborhood groups and non-profit entities of building trades councils. To receive CETA funds, such organizations must be incorporated as non-profits and must be engaged in providing public services (housing and neighborhood improvement qualify as public services in the CETA regulations).

²This is a simplified list - the precise definitions for eligible project operators are given in the Federal Register [29.CFR.94.4(000)]

Some of the best CETA rehabilitation projects have been operated by two or three organizations acting together as co-sponsors. A good example is the partnership found in Springfield between the local building trades council and a local neighborhood organization - a project which is described in detail in Chapter 3. Co-operation of this kind can build upon the complementary strengths and expertise of different groups and individuals.

3. CETA as a Positive Rehabilitation Element

In attempting to revitalize their older neighborhoods, many municipalities have pursued what might be called a "carrot and stick" approach. The "carrots" include loan and grant assistance for housing improvements, demolition of abandoned structures, local public works and other programs designed to foster a new positive attitude toward the neighborhood among current and potential residents. The "stick" is often comprehensive code enforcement.

However, many rehabilitation loan and grant programs provide only limited subsidies which are insufficient for the needs of low-income residents. Indeed, a number of programs have no income limits; this effectively subsidizes higher income families, furthering their competitive edge. In such situations, code enforcement programs can lead to the displacement of low-income people.

Longer-term effects are perhaps even more important. If an older neighborhood undergoing revitalization is "discovered" by large numbers of middle-income individuals and families looking for housing opportunities, property values will substantially increase. This will mean higher property taxes, rents, and house prices, and a devastating situation for low-income homeowners and tenants.

CETA has the potential to counteract these trends and to ensure that the benefit of improvement work goes more directly to those most in need. Indeed, the CETA program is specifically mandated to serve low-income people. Coupled with other community-oriented programs and counter-balancing efforts, CETA-funded rehabilitation in older neighborhoods can help encourage upgrading for existing low-income residents rather than their displacement by those with higher-incomes. Of course, by itself CETA rehabilitation can hardly be expected to counter displacement. The essential point is that as a part of a wider comprehensive strategy, CETA can be a useful, positive element. The rest of this handbook details how CETA can be utilized in this way.

Chapter 2

Planning for Rehabilitation



Planning is an important factor in ensuring the success of housing rehabilitation. This chapter outlines the kinds of planning which will be useful in developing projects and describes the types of assistance that CETA may be able to provide at various points in the process.

While planning is a crucial first step in any rehabilitation program, it should also be seen as something which all groups and organizations need to continuously undertake. Even experienced organizations that have clear objectives need to plan, and for organizations without previous rehabilitation or CETA experience, careful planning is essential.

1. Stages of Planning

In the development of a CETA private housing rehabilitation project, at least two stages of planning can be identified:

- i. Neighborhood planning - what is happening in the neighborhood (or, if a rural area, in the local community)? What should happen?
- ii. Project planning and design - what can be done and how?

These two stages closely interrelate and may well overlap. Some community organizations, particularly new or inexperienced ones, should follow both stages. Other organizations might start with project planning and design, making sure that the project falls within their overall objectives.

In the planning phase, CETA can itself be a labor resource. Thus, CETA's potential for use in rehabilitation should be thought about in two ways: first, it can aid in the planning of a rehab program, even if it is not used in the actual work; second, it can be used to physically implement the program. The next chapter details how CETA can implement rehabilitation projects; this chapter looks more closely at the two planning stages.

2. Neighborhood Planning

Far too frequently, local rehabilitation programs have been based on insufficient or outdated information. The resulting fragmentary understanding of neighborhood problems and conditions has led to the implementation of inadequate or inappropriate programs with less than desired outcomes. Planning will not provide a guarantee against such mistakes, but, if properly executed, it should help minimize the possibility of mishaps.

At the neighborhood level, the purpose of planning is to gain an incisive understanding of what is happening to the area and to propose what should happen. It is important to identify problems, issues, conditions, forces and needs within the community and to find out what other programs, if any, are already operating. In this way, an appropriate strategy can be designed to meet the housing improvement needs of the local low- and moderate-income population.

If the process of neighborhood planning is to be meaningful and targeted to aid those most in need, it will be important to involve local residents. A dialogue ought to take place between the organization and community residents both to ascertain their housing problems and overall feelings about possible programs and to allow them to respond to the organization's proposals. The precise means chosen to do this will depend on the nature of the neighborhood, but whatever method is used, the importance of a meaningful and sensitive participatory planning and review process within the community cannot be overstressed.

Examples of Neighborhood Planning Projects

The variety of projects which could be undertaken by CETA participants as part of the neighborhood planning process include:

- * surveys of the physical condition of local housing and neighborhood;
- * identification of location and ownership of deteriorating and abandoned buildings;
- * social and demographic surveys;
- * review of bank lending practices in the community.

One example of a CETA-sponsored survey project was the Chelsea Social Environment Sample Survey. In Chelsea, a series of dramatic changes had occurred in the city's population composition and economic base and, as a result, new issues and needs had developed. The social environment survey collected information as a planning step in the process of dealing with these changes and meeting the new needs. A team of 22 CETA-funded street surveyors undertook an exterior analysis of the housing stock, while eight two-person interviewing teams (also CETA funded) carried out a detailed social survey. Although this project was run by the City Community Development Office, it could be replicated by community organizations, perhaps using a smaller number of surveyors. The information which such projects develop not only provides a solid basis for formulating a local planning strategy, but can also be used in writing proposals to a wide range of funding agencies.

Another project, on a much smaller scale, is the Riverside Cambridgeport Community Corporation's research into real estate lending practices. Here a CETA participant is examining data on redlining by banks and producing a study which will enable local residents and community organizations to identify banks most likely to reinvest deposits in the community.

When considering survey projects, such as those of Chelsea or Cambridgeport, it is important to address questions of training for the interviewers, length of the project, manpower needs and supervision, appropriate survey techniques and the processing and analysis of the data collected.

Neighborhood Strategy

Both of the examples mentioned above were primarily informational projects. But in many areas it might well be appropriate to go beyond surveys and develop a detailed strategy for neighborhood revitalization. This could entail a fairly extensive planning exercise which, after identifying neighborhood housing needs and problems, would define program options and funding sources, develop alternatives, and derive a neighborhood revitalization plan. Such an exercise could, of itself, be a highly suitable CETA project.

Understanding the neighborhood

Even though many organizations will not feel it necessary to undertake such extensive planning, it is important for the organization to do at least enough planning work to understand what is happening in the neighborhood. For instance, if abandonment is occurring rapidly, it is unlikely that a small CETA rehab project will have more than a marginal effect. An organization would therefore probably be well advised to devote its energies to securing funds for more substantial remedial housing programs. But if abandonment is occurring slowly, just beginning or even "bottoming-out," then a CETA rehab project can have a very significant impact.

3. Project Planning

CETA is only one of a range of federal, state and local programs applicable to housing rehabilitation, and it may well be that CETA is not an appropriate program for a neighborhood's needs. However, it is far more likely that situations can be identified where CETA will be able to play a significant role either by itself or in combination with another program. To be certain that CETA is the right program, and, if so, to design a good CETA project, the organization must undertake careful project planning. This will involve considering the following issues:

- * Which houses or areas need rehabilitation? Do they require minimum, moderate or substantial rehab work?
- * Is it more appropriate to run a single-purpose project carrying out light work on a large number of houses (eg: weatherization or painting) or a multi-purpose project affecting a lesser number of houses but in a more intensive way?
- * What will be the materials, labor and administrative costs of the project? Do they conform to CETA limits and regulations? If not, what alternative funding sources or programs will be used?
- * Can the project be completed within one year?
- * Can the sponsoring organization manage the administrative, fiscal, technical and human responsibilities of running a CETA project?
- * Will sufficient training be available to enable CETA participants to undertake the intended level of rehabilitation work and produce a good end result?
- * Is there a good balance between the number of supervisors and the intended crew size? Will the supervisors have the expertise to impart good quality supervision?
- * Will the project increase the employability of the participants by providing them with relevant skills and experience?

- * Will the project displace normal union work, or is it work that could never otherwise be undertaken?
- * Who will be served by the project? Does the population to be served conform to the income limits established within the CETA regulations? (See Chapter 4)
- * Will the project link with concurrent or future projects within the neighborhood?
- * Will the project reinforce efforts to ensure that the neighborhood is upgraded for existing residents rather than encouraging displacement?

Amesbury Millyard - an example of project planning and design

The Amesbury Millyard Project, in northeastern Massachusetts is a good example of CETA funding being used to plan and design a rehabilitation scheme. Sponsored by Amesbury Housing Authority, the project employs participants with architectural, landscape design and engineering experience. It aims to investigate the physical condition of the abandoned mill and yard and then identify possibilities for reuse. It is likely that a mix of uses will be proposed, including elderly housing, and a development package is being formulated to finance the project over a period of years.

Although the Amesbury Project is really one of "public" rehabilitation, the approach which it exemplifies - of using CETA labor to carry out detailed planning and design work - is one that other organizations intending to do private rehab could adapt.

4. Manpower Needs

In designing and planning projects, it is important to consider the skills which will be needed for implementation. For each project, an inventory of required skills and labor needs should be drawn up and job descriptions should be carefully written. Some skills will be needed right from the beginning of the project but many others can be developed through training and practice.

The number of workers needed, as well as the range of required skills and the balance between those skills which are essential from the outset and those which can be learned on the job, will vary with the type of rehabilitation project. In general, every project needs managerial expertise to supervise the program, manage the CETA and other grants, and seek new sources of funding. If substantial work is contemplated, the back-up services of an architect or engineer may be required. Other needed skills will depend on the particular project. For instance, there may be a need for counselors to provide outreach and advice to

homeowners, or for rehabilitation specialists with contracting experience to do work write-ups, cost estimates and to supervise the construction in progress. All projects, in addition, are likely to need workers with office and clerical skills.

To carry out physical construction work, a project will need both skilled and unskilled labor. The skilled trades involved in most light rehabilitation projects are carpentry, painting and plastering. In these trades, a skilled tradesman can supervise the work of a number of unskilled laborers. Other, more intensive rehabilitation jobs will need people experienced in additional trades, such as plumbing, electrical, masonry and bricklaying, roofing and flashing.

In a rehabilitation project, both the tradesmen-supervisors and the laborers could be employed through CETA. However, most prime sponsors prefer to see supervisors hired from the project operators own funds, to ensure adequate supervision. In the past, some projects have supplemented CETA funded supervisors' wages from the administrative portion of the grant, or from other funds. However, limitations on such supplementation have been imposed by the new CETA law (see Chapter 4), and organizations are advised to check on this with their local CETA offices before making a funding application.

Chapter 3

Implementing Rehabilitation



In many neighborhoods and communities throughout the Commonwealth of Massachusetts, CETA has been used in the implementation of housing rehabilitation. This chapter takes a detailed look at some of the best of these projects, describing how they have used CETA and how they may be replicated. The projects fall into five basic categories:

1. Administration of rehabilitation
2. Single purpose rehabilitation
3. Light rehabilitation
4. Moderate rehabilitation
5. Substantial rehabilitation

As the examples will show, each of these types of rehabilitation serves particular needs and requires different levels of management and housing expertise. Projects which carry out light or moderate rehab usually focus on homes which are occupied by low-income households; these projects involve relatively simple kinds of work. Substantial rehab, involving more complicated work, often deals with abandoned properties which have been acquired by the project sponsor. These homes are rehabilitated and operated as low-income rental housing or sold to low-income homeowners at an affordable price.

A neighborhood or community-based organization with little experience should attempt the less complicated types of rehabilitation first and move into more sophisticated projects later on. This approach has several advantages. First, project sponsors have an opportunity to develop their capacity and competence in the area of housing. Second, more sophisticated projects usually require close relationships with various municipal agencies, local lending institutions and other organizations. These contacts can be developed and strengthened during each succeeding level of project development. Finally, some prime sponsors will continue a one-year limit on project funding. The above approach allows sponsors to dovetail new types of projects into previous efforts.

1. Administration of Rehabilitation

A number of municipalities have used CETA workers to staff housing rehabilitation financial assistance programs. The participants do not become directly involved in construction but instead administer the grants, rebates or loans funded by the Community Development Block Grant Program. (See Chapter 5).

This type of project is appropriate for smaller municipalities which have had no previous experience with rehabilitation. These communities must compete for community development block grants, and a CETA commitment to staff a financial assistance program can leverage the CDBG funds which provide the actual loans or grants. Under these circumstances, there is an excellent chance that the CETA participants will be retained after the project ends if the CETA project leads the Department of Housing and Urban Development to grant the community a higher CDBG allocation.

On the other hand, larger cities, most of whom already operate assistance programs, can only sponsor CETA projects which will add some new dimension to their efforts. This is because CETA regulations prohibit substituting CETA workers for other municipal employees.

The City of Revere uses CETA employees to administer two HUD-funded programs - the Section 312 rehabilitation loan program and a CDBG-funded 20% home improvement rebate program. CETA funds six positions: the director, a finance officer, a receptionist, a clerical officer and two rehabilitation specialists. One of the rehabilitation specialists has previous experience in real estate; the other was a homebuilder. Both attended a two-week training program in another community.

The rehabilitation specialists do inspections, prepare work write-ups and offer home improvement counseling to homeowners. The city is hoping to demonstrate to HUD that it can operate a rehabilitation program effectively, since it has experienced serious problems in previous programs.

The Springfield Redevelopment Authority (SRA) has organized a "Vacant House Preservation Program," under the CETA Skills Training and Improvement Program (STIP). This new SRA project will purchase abandoned properties, arrange for their rehabilitation and sell them at below-market prices to new low- and moderate-income homeowners. The vacant homes will be purchased with CDBG funds and rehabilitated by private contractors using FHA low-interest Section 203 or HUD Section 312 loan funds. Supervised by a project manager who is paid with CDBG funds, the CETA participants will put together development packages, as follows:

- * A rehabilitation specialist with contracting experience will inspect properties, prepare work write-ups, and prepare construction contracts. This specialist will be paid several thousand dollars over the CETA minimum of \$10,000, the supplement provided by Community Development Block Grant funds.
- * A loan officer will prepare the FHA or 312 loan applications and give financial counseling to the new homeowners.
- * A community relations specialist will provide outreach to potential homesteaders, offer follow-up counseling and organize the homesteaders into groups.
- * A "para-legal" professional will be responsible for title searches and will prepare the necessary legal documents for transferring title.
- * A secretary will perform clerical and administrative duties.

It is anticipated that the average house will cost between \$4,000 - \$6,000 for acquisition and between \$12,000 - \$15,000 to renovate.

While the two projects described above were run by municipalities, a similar type of operation could be sponsored by a non-profit community organization. Such an organization could contract with the city to administer the rehabilitation assistance program in its area. It could also offer referral services for the different types of housing assistance available in the area and provide other counseling services to area residents. This type of project could successfully initiate an inexperienced neighborhood organization into the field of housing rehabilitation.

The other four types of projects discussed below differ from the first in that CETA participants become directly involved in an aspect of construction.

2. Single-purpose Rehab

These are the simplest CETA projects concentrating on one particular type of work. The most common are projects providing house painting, de-leading or weatherization.

House Painting

The Atlantic Neighborhood Committee in Quincy operates a house painting program funded by CETA and CDBG. The group's program committee reviews the applications; only low-income Atlantic neighborhood homeowners of one- or two-family structures are eligible. The CETA participants are supervised by a professional painter (holding a rigger's license) whose salary is paid by Community Development Block Grant funds. The homeowners supply the paint and brushes.

The Lowell Department of Planning and Development operates the "Paint-up Program" in Lower Belvedere, one of its community development target areas. This low-income neighborhood has been slow to participate in the city's rehabilitation grant program, according to local officials. The Paint-up Program, however, has proven quite popular with low-income homeowners. Everything is funded by CETA, including the materials. The two five-person crews are supervised by licensed painters, who are also CETA participants.

House painting projects have the advantage of being highly visible, and have a positive effect on a neighborhood's self-image. Loan and grant programs, which usually emphasize major code violations, often exhaust their limited assistance on indoor work and are consequently invisible to the rest of the neighborhood. House painting projects complement these efforts, and can initiate a ripple effect, stimulating home improvements by other moderate and middle-income property owners.

De-leading

State law requires the removal of lead paint in housing units which are occupied by families with young children. While it is a necessary health and safety measure, lead paint removal, or "de-leading", is nevertheless an insurmountable financial hardship to many low-income homeowners. CETA participants have been used in a number of areas to provide de-leading services to such households.

One de-leading project is the Boston Environmental Health Improvement Project which operates out of Boston City Hospital. The CETA participants investigate lead poisoning cases which have been brought to their attention by hospital staff. If the home is owned by a low-income person, the CETA crew performs the de-leading without charge. If, however, the building is owned by an absentee landlord, it is referred to a private de-leading contractor.

Weatherization

The increasing cost of home heating is often the single greatest

impediment to low-income homeownership. As a result, quite a number of communities have sponsored CETA projects which, in conjunction with Community Services Administration or Department of Energy funds, will insulate and generally weatherize homes owned or rented by low-income households.

The State Employment and Training Council has published a handbook on CETA and energy conservation which describes weatherization projects in detail. [1]

3. Light Rehabilitation

Light rehabilitation programs offer minor or "emergency" home repair services to low-income homeowners (See Chapter 4 for CETA's definition of low-income). These minor repairs include small-scale structural improvements, cleaning, patching, painting, de-leading, winterization and minor mechanical work. Many operate as single purpose projects, like those described above. Most, however, concentrate on several different kinds of repair and improvement services.

Tradewinds is a project sponsored by the Ecumenical Social Action Committee (ESAC) and the Neighborhood Development Corporation of Jamaica Plain, an older residential neighborhood in the City of Boston. Originally modeled after the Cambridge Just-A-Start program, Tradewinds uses CETA Title III Youth Community Conservation and Improvement Program (YCCIP) funds to hire youth workers, and Title VIB funds to hire the adult staff and supervisors. Additional support has been received from Associated Foundations of Greater Boston. During the summer months, the project also accepts slots from the city's job creation program for youth.

The Title VIB funds are used to hire five adult staff:

- * A rehabilitation specialist, who functions as an outreach worker, doing write-ups and materials cost estimates.
- * Two supervisors, each of whom oversees a crew of eight youths. One of the supervisors is a journeyman carpenter, and the other is an experienced contractor.
- * A counselor, who assists the teenagers.
- * A resource developer, who arranges publicity, fund-raising and community relations.

The project emphasizes exterior painting, porch repair, carpentry, masonry and other non-mechanical work. The homeowner provides the materials. Often the Tradewinds project works with low-income homeowners

[1] Available from the State Employment and Training Council, Department of Manpower Development, C.F. Hurley Building, 4th Floor, Boston, MA 02114.

referred by the Boston Housing Improvement Program (HIP), a grant program which rebates 20%-50% of the value of the total rehabilitation work to the homeowner after completion. Since the city rebates against the estimated value, rather than the actual dollar cost, it is possible for low-income homeowners to contribute their and/or Tradewinds' labor as an "in-kind" contribution toward their share of the rehabilitation.

When the Title VIB project ends, the supervisors will be paid out of the administrative portion of the YCCIP grant. YCCIP has the advantage of offering more money for administration than Title VIB-YCCIP allows 35%, while Title VIB permits a maximum of 15% for administration.

An important point to remember is that CETA projects are not allowed to supplant work normally done by private home improvement contractors, if these contractors have been previously active in the municipal rehabilitation loan, grant, or rebate program. The above two programs have been designed to avoid this by providing services not covered by other programs and focusing on homeowners who would be too poor to take advantage of the program in the absence of CETA. One way to avoid displacing private contractors is to discuss the project with local contractors while it is still in the planning stage. The key point is that the CETA project is undertaking work that would not otherwise be performed.

4. Moderate Rehabilitation

In older neighborhoods, many properties owned by low-income homeowners may be in basically sound shape but nevertheless need major work on one or a few mechanical or structural systems, in addition to a variety of minor repairs covered by light rehabilitation programs. This more substantial work may include major repair or replacement of plumbing, heating, or electrical systems, and replacement of roofs, windows or doors.

Moderate rehabilitation requires a higher level of expertise than a light rehabilitation project. While the work involved in light rehabilitation can usually be performed by a crew of four or five supervised by one experienced tradesperson, more complex structural or mechanical work needs much closer supervision and higher skill levels. Consequently, some type of cooperation with the local building trades council, which can furnish skilled labor and supervision, is advisable. Moderate rehabilitation will generally require an additional source of funds, such as CDBG, to pay for intense supervision and additional materials and equipment which are beyond the means of a low-income homeowner or the administrative portion of the CETA grant. A good example of moderate rehab is the Old Hill and Memorial Square housing rehabilitation project in Springfield, put together through extensive cooperation between the Hampden County Manpower Consortium, the Springfield Emergency Job Program, the Springfield Community Development Department, Northern Educational Services, the Old Hill and Memorial Square Neighborhood Councils and the local building trades council.

The project operated in the Old Hill and Memorial Square Community Development target areas, two predominantly low-income neighborhoods in the City of Springfield. The project lasted for 25 weeks and employed twenty-six participants. Emphasizing painting and carpentry, it complemented work which is financed through the city's rehabilitation grant program.

The twenty-two youth participants are hired under CETA Title III-C YCCIP. They are divided into crews of eleven, one for each neighborhood. Two from each crew will be selected for in-depth training, and will enter the building trades' apprenticeship program upon completion of the project.

Assigned to each crew were two supervisors (union journeyman carpenters and painters) who were paid through Title VIA, supplemented to the prevailing wage scale with Community Development Block Grant funds.

5. Substantial Rehabilitation

Substantial rehabilitation represents one strategy to combat the problem of housing abandonment in older neighborhoods. A number of community organizations have purchased vacant properties, rehabilitated them using a CETA subsidy, and operated the properties as low-income rental housing or sold them to low-income homeowners at affordable prices.

Abandoned properties usually require major work on mechanical and structural systems. Often these buildings have been fire damaged, stripped for useable equipment and building supplies or vandalized. One key to a successful program is the ability to accurately estimate whether a particular property is salvageable.

Acquisition and substantial rehabilitation require additional skills on the part of the sponsoring agency because the community organization must act as developer and chief building contractor, as well as performing part or all of the rehabilitation work. Consequently, it needs specialists to develop financial packages and either to manage housing or to counsel new homeowners.

One such project has been carried out by the Lena Park Community Development Corporation, a community-based non-profit organization in Boston's Dorchester neighborhood. Lena Park provides a project director and rehabilitation specialist from its own staff (funded by CDBG); they supervise the work of twelve CETA participants who are being trained as laborers and rehabilitation specialists. The CETA crews perform the less skilled aspects of the construction work, while private contractors are hired to handle the mechanical and other highly-skilled work.

Activities performed by the CETA participants include drywalling, patching, plastering, floor sanding and refinishing, painting, wall-

papering, and general labor (e.g. debris removal). They also learn to do work write-ups and materials estimation and ordering. The Lena Park rehabilitation staff acts as general contractor, coordinating the activities of both the CETA crews and the private contractors.

A great deal of "packaging" work goes into a rehabilitation job before construction begins. First, properties are purchased from the City of Boston, HUD, or private owners. Development costs are carefully estimated prior to acquisition in order to predict the financial feasibility of each rehabilitation project. Then, if the general overview indicates that a project is potentially feasible, a detailed work write-up and itemized cost estimate are done. Lena Park uses a total development cost ceiling of \$27,000 (\$10,000 limit on acquisition and \$17,500 on rehabilitation). Property acquisition and non-CETA rehabilitation costs are funded through a revolving fund, provided by a \$75,000 CDBG grant and Lena Park CDC's own seed money.

The search for a low-income homeowner begins as soon as, or before, Lena Park acquires a property. Homeowner income cannot exceed 80% of the area median. The project director provides mortgage counseling to prospective homeowners. Both the Lena Park staff and board of directors screen applicants and make the final selection among prospective homeowners. Permanent financing, which restores the development costs to the revolving fund, is obtained through an FHA-insured or other conventional mortgage.

6. Supervision

The importance of adequate supervision of CETA participants involved in construction cannot be overstressed. In general, prime sponsors do not encourage the practice of hiring supervisors from the CETA pool, preferring instead that an agency supply a supervisor from its own staff, or from another source of funds.

Adequate training is another critical factor in the success of a project. A few members of the CETA crew may be skilled construction workers who, perhaps nearing retirement, have been unable to find work in the private sector. Others, probably the majority, may be approaching their first real job experience.

A number of options are available in setting up a workable training program. One excellent approach, used in Springfield, involved the local building trades council. Another approach used by the Lena Park CDC included intensive in-house training using the housing rehabilitation curriculum used by the Massachusetts Community College (see Appendix I).

Inadequate training and an unrealistic supervisor-to-participant ratio will lead to unsatisfactory and hazardous work. The CETA project will have been a total failure if it produces a shoddy product; supplying housing affordable to low-income households does not mean providing housing which more affluent families would reject.

Chapter 4

Rules and Regulations



Like any federal program, CETA has rules and regulations which must be complied with. This chapter looks at CETA guidelines which have a particular bearing on the operation of housing rehabilitation projects. It also deals with other regulations and legislation which must be considered before using CETA for rehabilitation. These include the Davis-Bacon Act, the State Prevailing Wage Law and local and state building codes.

1. CETA Guidelines

The One-Year Limit

An important restriction affecting Title VIB projects is that they must perform clearly defined tasks which do not last longer than one year. However, while this prohibits continuation of the same project into a second year, an organization can sponsor a project similar to one it previously operated if the new project is different in design, goals, site or geographic area or the jurisdiction/population to be served. [1]

For example, a first year weatherization project could be followed by a second year project which brings the activity to new target neighborhoods or adds home repairs to its services. Alternatively, in a low-income neighborhood with varied housing conditions, a first year project could focus on a single purpose, such as housepainting, and could in the second year add carpentry, plumbing or electrical work to its activities. This would represent a shift from light to moderate rehabilitation. Organizations should remember, however, that while projects of this type may be interlinked from year to year, the CETA workers themselves cannot continue directly from one year to the next in most prime sponsor areas.

As mentioned in Chapter 1, the one-year project limit may be changed by new CETA legislation now before Congress.

Limit On Homeowner Income

To ensure that CETA rehabilitation projects are focused toward low-income residents, CETA limits the incomes of those eligible to be served. The regulations say that "home repair and winterization/weatherization activities shall be limited to dwellings of individuals who are at or below 125% of the poverty level, which are privately owned and owner-occupied, privately owned by a non-profit organization, units of public housing, or privately owned rental housing property funded and approved by the Federal Energy Administration." [2]

The poverty level is established by the Office of Management and Budget and is periodically revised. As of April, 1978, the levels (non-farm) were:

[1] G.S. Brewer, Acting Associate Regional Administrator, U.S. Dept. of Labor, to B.J. Rudman, Assistant Secretary for Economic Affairs Massachusetts Executive Office of Economic Affairs, May 9, 1978.

[2] 29CFR Part 98.12(C). See Federal Register, Vol. 42, No. 201, Oct. 18, 1977.

FAMILY SIZE	125% OF POVERTY LEVEL*	SECTION 8 LOWER INCOME**
1	\$ 3,925	\$10,100
2	5,200	11,500
3	6,475	12,950
4	7,750	14,400
5	9,000	15,300
6	10,300	16,200

* As of April , 1978
 ** As of January , 1978

Maintenance of Effort

CETA projects are not allowed to use CETA labor to replace the current municipal work force or replace an arrangement with a private contractor. This is known as the "maintenance of effort" requirement. It means that CETA Title VI Rehabilitation projects must avoid displacing existing rehabilitation contracts or work that would otherwise have been performed with other city funds.

Since many communities have operated loan and grant programs which provide housing rehabilitation services through private contractors, questions have been raised about whether CETA housing rehabilitation violates the maintenance of effort provision. However, problems can be avoided by taking the following steps:

- * Design the project so that the type of work performed has not been undertaken by earlier rehabilitation efforts.
- * Serve only low-income people who are unable to make effective use of existing loan or grant programs. Document this by certifying the incomes of the people served.
- * Discuss the project during the planning stage with local contractors and building unions. Stress the importance of income certification-that this is work which would not come to them anyway, and which may in fact encourage other work from moderate and middle-income neighbors. Developing good relations with private contractors ahead of time is generally a good idea because they can provide useful advice and help in placing participants at the end of the project. Making contact with organized labor is also important; they can give helpful advice and can refer supervisors to the project.

Annual Wage Rate

The CETA contribution to the wages of CETA participants in projects cannot exceed an annual rate of \$10,000. In many cases, however, project sponsors have found, after consulting with local unions or surveying local wage rates, that skilled journeymen working as supervisors must be paid more than \$10,000.

Currently, CETA does not prohibit supplementing the \$10,000 amount from other sources of funds. However, it is likely that the new CETA legislation will place upper limits on wage supplementation.

2. Federal Davis-Bacon Act

The Davis-Bacon Act, approved by Congress in 1931 and subsequently amended, regulates wages of workers employed with federal funds in the construction and repair of public buildings or in public works. When the Davis-Bacon Act applies to a project, workers must be paid at or above locally prevailing wages set for the various trades and skills by the Secretary of Labor.

In general, Davis-Bacon does not apply to the wages in CETA subsidized housing rehabilitation projects if only CETA funds are being used. (An exception is funding under CETA Section 604, of which there are currently no cases in Massachusetts.) However, if CETA funds are used in conjunction with funds from another Federal program, "applicability of Davis-Bacon is determined by the statute under which the other Federal funds are obtained." [3] The following examples show how Davis-Bacon applies in such situations:

- i. If a rehabilitation project is combining CETA with Community Development Block Grant (CDBG) funds, the Davis-Bacon requirement is contained in the Housing and Community Act of 1974, which authorized the CDBG program. This law specifically exempts the rehabilitation of residential property from Davis-Bacon unless the property "is designed for residential use of eight or more families." [4]
- ii. If a rehabilitation project combines CETA with HUD Section 312 Rehabilitation Loans, then there is a slightly different ruling. Davis-Bacon applies to projects using Section 312 if any of the properties being rehabilitated contain eight or more dwelling units after the rehabilitation. [5] A CETA project which also involved 312 loans would thus be exempt from Davis-Bacon as long as all of the finished rehabilitated properties had seven or less dwelling units.

[3] Region I Letter Series No. 318-77 Applicability of Davis-Bacon Wage Requirements to Participants Under the Comprehensive Employment and Training Act (CETA), U.S. Department of Labor, Employment and Training Administration, September 27, 1977, p. 2. See also: Federal Register, Vol. 42, No. 20, Oct. 18, 1977, Regulations, 29 CFR, Part 98.29.

[4] Housing and Community Development Act (1974), Title I, Section 110.

[5] Federal Register, Vol. 42, No. 27, February 9, 1977.

- iii. If a rehabilitation project combines CETA with rental assistance under HUD Section 8 Substantial Rehabilitation, the ruling is that Davis-Bacon applies to any project with nine or more assisted units. [6] This means that if eight or less units are to be rental assisted with Section 8 when the work is completed, a CETA rehabilitation project (which could also contain unassisted units) would be exempt from Davis-Bacon.

Note that the CDBG and Section 312 Davis-Bacon provisions apply to individual "properties" while the Section 8 requirement refers to a total "project." This distinction reflects the tendency for CDBG and Section 312 housing rehabilitation to focus on small owner-occupied 1 to 6 family dwellings, while Section 8 has tended to finance rental subsidies in larger multi-family housing developments or major building conversions (e.g., converting a factory into apartments).

- iv. For other federal programs or for situations where there may be more than one federal program combined with CETA, rulings about Davis-Bacon applicability may be obtained from the U.S. Department of Labor Regional Information Office, (617) 223-6767. Rulings about HUD programs can be more directly obtained from the HUD Region I Labor Relations Office, (617) 223-4301.
- v. Where a CETA project uses only private financing, by definition Davis-Bacon does not apply.

It is clear that the Davis-Bacon Act does not apply to the smaller-scale types of private residential rehabilitation which are likely to be carried out in older central city neighborhoods or rural areas. However, even when Davis-Bacon does not affect CETA rehabilitation projects, the Department of Labor has two further provisions which apply to the wage question.

First, the CETA regulations require that the employing agency pay the established wage for comparable work within the employing agency of other (non-CETA) workers in the same or similar occupations. [7] In other words, everyone in the rehabilitation project who does basically the same work must be paid the same rate.

Second, the Department of Labor requires that prime sponsors consult with local building trades unions about the wage rates, work statements and other aspects of CETA construction-related projects. A DOL Region I letter says that: "whether or not questions of appropriate wage rates or Davis-Bacon average have arisen during the planning or construction-related project, the prime sponsor needs to be sensitive to union concerns, particularly where unemployment in building trades has been chronically high, and exposed to the advice of experienced trade workers in the

[6] 24 CFR Part 881.114(d), Federal Register Vol. 43, No. 21, Jan. 31, 1978.

[7] 29 CFR Part 96.34(a)(4), Federal Register, Vol. 42, No. 20, Oct. 18, 1977.

designing and supervision of such projects..."[8]

3. State Prevailing Wage Law

The State Prevailing Wage Law (Massachusetts General Laws, Ch. 149 S.26) applies only when the structure to be rehabilitated is publicly owned. Structures owned by private individuals or private non-profit organizations are exempt, even if municipal funds are used in the program.

4. State and Local Building Codes

In order to operate a rehabilitation program, the project sponsors and particularly the supervisor must be completely familiar with local and state building codes.

The building codes cover a wide variety of subjects, including the method of construction, the allowable types of materials and the design of improvements.

For information on the state code, call the State Building Code Commission, (617) 727-6916. Local codes vary considerably - the local building code inspector should be contacted for details.

5. Licensing Requirements

Other regulations which may apply to CETA rehabilitation projects include requirements for supervision, licensing and building permits. If the work requires building permits, a non-profit organization may need to obtain a building license or employ a skilled person with a license. For more detail on these regulations, check with the Massachusetts Department of Labor and Industries, (617) 727-3452.

[8] Region I Letter Series No. 318-77, p. 3,4.

Chapter 5

Maximizing Financial Opportunities



The usefulness of CETA as a resource for private housing rehabilitation can be substantially increased if it is combined with funds from other programs. When this is done, CETA can pay for basic labor costs, part of the administrative expense, and for tools and supplies; other programs can provide for acquisition costs, materials, supplementary wages or wages for non-CETA workers. This chapter outlines some of the more important sources of such additional funds.

1. Community Development Block Grants

The CDBG program is a key source of funds for housing rehabilitation. In general, activities under this program must either benefit low- and moderate-income persons, serve to eliminate slums and blight, or meet a particularly urgent community need.

According to the current interpretation, most of a municipality's CDBG allocation should go towards fulfilling the first of these three aims, i.e. benefitting low- and moderate-income persons. The definition of low- and moderate-income is set at 80% of the median family income for the area. Any CETA project which satisfies the Department of Labor income criteria falls well within the CDBG limits (for instance, 80% of the median income was \$14,400 in the Boston area in 1977). Note, however, that the reverse is not necessarily true--a CDBG program will not necessarily satisfy DOL's income requirements.

Communities receiving CDBG funds may in turn use that money to provide assistance to non-profit community organizations, neighborhood groups, small-business investment companies and local development corporations. The rehabilitation activities that can be undertaken with CDBG funds include:

- * Code enforcement in deteriorated or deteriorating areas.
- * Rehabilitation and improvement of buildings, including interim assistance and rehabilitation financing for privately-owned properties.
- * Payment of non-federal share in connection with other federal programs undertaken as part of the redevelopment program.
- * Payment of reasonable administrative costs and carrying charges.

City community development departments often use CDBG funds to operate grant or loan programs which help homeowners finance rehabilitation. CETA projects could be used in conjunction with one of these programs. For instance, many cities have home improvement programs which reimburse homeowners for a portion (usually around 20%) of the total cost of rehabilitation. However, many low-income homeowners are unable to pay the remaining portion and so are unable to take advantage of the program. A CETA project could perform the labor (or "sweat equity") for such homeowners, allowing the homeowner to meet his or her required 80% contribution. One example of this kind of combination is the Tradewinds Project in Boston's Jamaica Plain, described in Chapter 3.

2. HUD Section 8 Substantial Rehabilitation

Section 8 is a rental assistance program for lower-income tenants living in privately-owned dwellings. HUD provides a subsidy for up to 30 years which equals the difference between a federally approved "fair market rent" for a unit and 15-25% of the tenant's income. To be eligible, tenants must earn less than 80% of the area median income. The program does not provide mortgage financing, nor does it provide assistance for homeowners. However, it can subsidize the rents of the tenants of a building if the owner lives in one of the units.

HUD is currently concentrating Section 8 assistance on units which have been substantially rehabilitated. In particular, it has developed a new program of Neighborhood Strategy Areas (NSA), areas which are to be revitalized within five years and which will be allocated Section 8 set-asides. For community organizations considering CETA projects, this means there are two possibilities. First, CETA projects could rehabilitate low-income rental units - three-deckers, with an owner and two tenants, would be very suitable. In this case, if Section 8 commitments that were received for the two rented units prior to rehabilitation would help in procuring other money to pay for the non-labor cost of the work.

Second, in an area where an NSA is declared or has the possibility of being declared, an organization could seek to carry out a CETA rehabilitation project for some of the smaller properties, keeping in mind the Davis-Bacon rules outlined in the last chapter. One advantage of this would be to increase a community organization's influence on tenant selection. To get involved in an NSA, an organization must negotiate with the local municipality and with the Massachusetts Housing Finance Agency, since these agencies jointly administer this program locally.

3. Section 202

HUD Section 202 assists non-profit corporations and consumer co-ops in providing housing for the elderly, physically handicapped and developmentally disabled. The program provides long-term loans for new construction and substantial rehabilitation projects. The loans are accompanied by Section 8 commitments. Interest-free construction loans are also available.

Section 202 is a potential source of supplementary financing for CETA-staffed substantial housing rehabilitation programs. However, neither non-profit contractors nor CETA funds have been used to date in Section 202 projects, mainly because project size thresholds have been too high. But evolving HUD policy indicates that projects which combine CETA and Section 202 may become feasible in the future since smaller

projects are now being considered. While the maximum size of projects for the elderly is 200 units, the size projects for the handicapped and disabled from 6 to 20 units.

4. Section 312

HUD Section 312 provides rehabilitation loan financing to owner-occupants of 1-4 unit dwellings. Funding may be used to bring homes up to code or to urban renewal standards. The loans carry a 3% interest rate and a 20 year term. There are no income limits, but eligibility is restricted to families who do not qualify for private-sector financing.

CETA projects which involve 312 loans will need to conform to the Davis-Bacon restrictions outlined in Chapter 4.

5. Section 810: Urban Homesteading

Through the Urban Homesteading Program, HUD-held properties are transferred to individuals or families at extremely low cost. Recipients must bring the property up to code within 18 months and reside there for at least 3 years. CDBG and Section 312 funds may be used in conjunction with Section 810 to finance rehabilitation.

This program graduated from demonstration status only one year ago and three Boston neighborhoods have received aid under it so far. In one of these neighborhoods, Mattapan, Community Training Dynamics ran a rehabilitation program which combined CETA Title VIB with Section 810 and Section 312.

6. State 707: Rental Assistance

The Commonwealth of Massachusetts Chapter 707 Rental Assistance Program provides guaranteed rental subsidies for low-income tenants after rehabilitation by private owners. Annual contribution contracts are signed by the state with local housing authorities who, in turn, make payments to landlords. The program is similar to HUD Section 8 and could be used with CETA projects in much the same way.

7. Farmers Home Administration

In rural areas, the FmHA is an important source of funds for housing rehabilitation. FmHA operates a variety of programs which could be coupled with CETA rehabilitation projects, including:

- * Section 502 Farm Loans - provides loans for low- and moderate-income rural applicants for improvement, alteration, replacement or aquisition of dwellings or farm buildings. Interest rate is 8.5%, but interest credits can lower this to as little as 1%.
- * Section 504 Rehabilitation Loans and Grants - provides loans to low-income rural homeowners for essential home repairs. Loans have a ten-year term at 1% interest.

- * Section 515 Rental/Co-operative Housing Loans - provides loans to public agencies and private non-profits as well as to individuals for rental or cooperative elderly or low-income rural housing. A wide variety of activities are eligible, including purchase, improvement, alteration and repair of rental housing. Large interest subsidies are available to non-profit, cooperative and public agencies. Mortgage terms are 50 years for elderly and 40 years for low-income projects.
- * Section 514 and 516 Farm Labor Housing Loans and Grants - provides funds for construction or repair of housing for farm laborers. Eligible applicants include non-profit farm-workers' organizations and individual farmers. Loans are for up to 33 years at 1%.
- * Section 523 Mutual and Self-Help Housing - provides grants to rural non-profit organizations providing technical assistance for rural self-help housing projects.

8. Private Foundations

Private foundations should not be overlooked as a major source of start-up funds for local groups. Foundations usually require less paperwork than federal grant programs, and have a shorter lead time between the application and the awarding of the grant, if the application is timed to match their funding cycle. A good source of information is Associated Foundations of Greater Boston, 295 Washington Street, Boston, Massachusetts (426-2606).

9. Private Local Lending Institutions

Local lending institutions should be approached as potential participants in the rehabilitation process. It may be financially feasible to fund at least part of the non-labor rehabilitation costs with a private bank loan. This option is especially appropriate when a community group or other sponsoring agency buys buildings, rehabilitates them, and sells them to low-or moderate-income households. The cost of materials can be financed through a short-term loan to the sponsoring agency, and can be absorbed in the mortgage when the home is sold.

10. HUD-FHA Insurance Programs

Access to conventional rehabilitation financing can be increased for both community groups and individual homeowners through a variety of FHA insurance programs which guarantee loan repayment to private lenders. Programs include the Title I Property Improvement Program and an array of other insurance programs available for both single- and multi-family housing.

11. Identifying the Right Program

Each of the programs and funding agencies described in this chapter has it's own particular eligibility requirements, and a CETA project

wishing to use a complementary or additional funding source will need to be designed with that in mind. The appendices at the end of this handbook include listings of addresses, telephone numbers and further references through which more detailed information (as well as details of programs not described here) can be obtained.

Following up on these sources of detailed advice and assistance is crucial to all organizations planning CETA rehabilitation projects. The process of identifying and securing complementary funding can be complex, as well as frustrating, and this chapter has given only an introduction. A major problem, for instance, is coordinating the funding cycles of other programs with the CETA project. Since CETA Title VIB projects are only one year in duration and must begin soon after grants are awarded, it is crucial to obtain prior commitments other funds before the CETA project begins.

As an organization examines potential complementary funding sources, it may be useful to consider the following checklist to ensure that a particular program is appropriate:

- * What is the nature of the assistance - loan, loan guarantee or grant? How much money is available? How much can be applied for? What is the maximum grant or loan? What are the conditions - interest rate, term of loan, duration of subsidy, owner's or organization's equity?
- * Is the money available before rehabilitation begins ("front end"), during the project or only upon completion?
- * What kind of rehabilitation activities are eligible? Is the assistance restricted to light, moderate or substantial rehabilitation? Or, is the funding purpose more specific - e.g.: Code enforcement, housepainting, de-leading, weatherization or technical assistance?
- * Is your area an eligible area? (The program may be restricted to urban, rural, economically distressed or physically deteriorated areas.)
- * Who can operate the program? Is it open to community organizations or to individuals? To whom should application be made and by when?
- * Who is an eligible recipient? Are there income limits? What tenures are eligible - owner-occupied, rented, absentee-owned, resident landlord, non-profit owned, abandoned?
- * What is the maximum or minimum project size?
- * Is the program compatible with CETA? Do Davis-Bacon or state prevailing wages apply?

Chapter 6

Put A Project Together !



This handbook should be regarded as no more than an introduction to the use of CETA in the rehabilitation of private housing. It has described how CETA can be used in the planning and implementation of rehabilitation projects, how it can be combined with other sources of funding, and what legal and regulatory problems need to be considered. But, most of all, it has tried to show that CETA is a viable and important rehabilitation tool with the potential to be used in positive and innovative ways to help meet the housing needs of low-income people throughout the Commonwealth.

No one claims that putting together a CETA rehabilitation project is easy or that every project will be an automatic success. Yet it can be done, with meaningful results. As the handbook has stressed, it is important to engage in careful planning and consultation to understand the complexities involved and to make sure that the CETA rehabilitation project is part of a comprehensive strategy that gets at the root of housing problems.

We hope that this handbook has illustrated CETA's ability to play a worthwhile role in improving housing conditions within the Commonwealth's communities. We hope too, that organizations will follow through on the project ideas this handbook suggests, by reading the reference sources, contacting the State Manpower Services Council Staff for advice and technical assistance, and then initiating a project at the community level.

Appendix I

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Appendix II

Addresses and Contacts

1. The CETA System

Prime Sponsors		Municipality Served			
Boston Charles Atkins, Administrator Employment and Economic Policy Administration 15 Beacon Street, 8th Floor Boston, MA 02108 (617) 725-3628		Boston		Springfield Frank Gulluni, Director Hampden County Manpower Consortium 6 Frost Street Springfield, MA 01105 (413) 781-5630	
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Fall River Jane McDonald, Director CETA-Fall River Consortium 95 North Main Street Fall River, MA 02720 (617) 675-1161		Fall River Freetown Somerset Swansea Westport		Balance of State Subgrantees Central Administration Frederick Nader Executive Director Mass. Balance of State Prime Sponsor Dept. of Manpower Development Charles F. Hurley Building, 4th Floor Government Center Boston, MA 02114 (617) 727-7658	
Lowell Mano Alfano, Director CETA Administration 89 Appleton Street (617) 459-2336		Billerica Chelmsford Dracut Dunstable	Lowell Tewksbury Tyngsborough Westford	Agawam Blandford Bnmfield Palmer Russell Southwick Springfield Tolland Wales Westfield W. Springfield Wilbraham	
New Bedford Ralph Schmarsow, Director New Bedford CETA Consortium Post Office Box A2102 New Bedford, MA 02741 (617) 999-3161		Acushnet Dartmouth Fairhaven Marion	Mattapoisett New Bedford Rochester Wareham		

Subgrantees (serving the remaining 277 municipalities):

Chelsea
Gardner
Greenfield
Hopedale
Lawrence
Marlborough
Medford
Newton
Northampton
Norwood
Pittsfield
Plymouth

Subgrantee

Chelsea
Stephen Seibovitz, Director
CETA — Chelsea Consortium
City Hall
500 Broadway
Chelsea, MA 02150
(617) 884-1755

Gardner
Clifton Regan, Director
CETA — Gardner Consortium
130 Elm Street
Gardner, MA 01440
(617) 632-3193

Greenfield
David Lanfair, Director
CETA — Greenfield Consortium
13 Newell Court
Greenfield, MA 01301
(413) 774-3182, 774-8384

Hopedale
Spaulding Aldrich, Director
CETA — Hopedale Consortium
Town Hall
Hopedale, MA 01747
(617) 473-3972

Lawrence
Peter Vanier, Director
CETA — Lawrence Consortium
90 Broadway, Room 204
Lawrence, MA 01840
(617) 682-2247

Marlboro
John Jacobs, Director
CETA — Marlboro Consortium
City Hall
Main Street
Marlboro, MA 01752
(617) 481-6727

Medford
Raymond Zingarelli, Acting Director
CETA — Medford Consortium
c/o Old Medford High School
22 Forest Street
Medford, MA 02155
(617) 295-7600 Office,
395-1852 J. Sarno

Newton
Richard Moynihan, Director
CETA — Newton Consortium
103 Moody Street
Waltham, MA 02154
(617) 899-7800 Operations
Office Hours: 8:30 A.M. to 5:00 P.M.

Municipality Served

Chelsea
Revere
Winthrop

Ashburnham
Ashby
Ayer
Barre
Berlin
Bolton
Clinton
Fitchburg
Gardner
Groton
Hardwick
Harvard
Hubbardston
Lancaster
Leominster
Lunenburg
New Braintree
Oakham
Pepperell
Pinecaton
Shirley
Sterling
Templeton
Townsend
Westminster
Winchendon

Ashfield
Athol
Bernardston
Buckland
Charlemont
Colrain
Conway
Deerfield
Erving
Gill
Greenfield
Hawley
Heath
Leverett
Leyden

Blackstone
Douglas
Hopedale
Mendon
Milford
Milton
Northbridge
Sutton
Upton
Uxbridge

Amesbury
Andover
Boxford
Georgetown
Groveland
Haverhill
Lawrence
Merrimac
Methuen
Newbury
Newburyport
North Andover
Rowley
Salisbury
W. Newbury

Acton
Ashland
Boxborough
Carlisle
Concord
Frammingham
Holliston
Hopkinton
Hudson
Littleton
Marlboro
Maynard
Natick
Sherborn
Southborough
Stow
Sudbury
Wayland

Burlington
Everett
Malden
Medford
Melrose
North Reading
Reading
Stoneham
Wakefield
Wilmington
Woburn
Winchester

Bedford
Brookline
Dover
Lexington
Lincoln
Needham
Newton
Waltham
Wellesley
Weston

Northampton
William Kane, Director
CETA — Northampton Consortium
212 Main Street
Northampton, MA 01060
(413) 586-5894

Norwood
Lawrence Fitch, Director
CETA — Norwood Consortium
Post Office Box 740
Norwood, MA 02062
(617) 769-4120
Office Location:
59 Davis Avenue, Norwood

Pittsfield
Werner Eisberg, Director
CETA — Pittsfield Consortium
Berkshire Training & Employment
Program
190 New West Street
Pittsfield, MA 01201
(413) 499-2220

Plymouth
Clifton Johnson, Director
CETA — Plymouth Consortium
Cordage Park, Building #20
Plymouth, MA 02360
(617) 747-1660

Quincy
Paul Ricca, Director
CETA — Quincy Consortium
1073 Hancock Street, 4th Floor
Quincy, MA 02169
(617) 773-3983

Salem
Lee Fremont-Smith, Director
CETA — Salem Consortium
Box 706
Salem, MA 01970
(617) 744-3785
Office Location:
199 Washington Street, Salem

Southbridge
John Dvareckas, Director
CETA — Southbridge Consortium
Town Hall
41 Elm Street
Southbridge, MA 01550
(617) 765-5404, 765-5405

Taunton
Charles Kalaher, Director
CETA — Taunton Consortium
P.O. Box 787
Taunton, MA 02780
(617) 823-8151
Office Location:
Human Services Office
239 Broadway, Taunton

Yarmouth
Anthony Lacerda, Director
CETA — Yarmouth Consortium
96 Falmouth Road
Hyannis, MA 02601
(617) 771-0141, 771-0144, 772-0723

Amherst
Belchertown
Chesterfield
Cummington
Easthampton
Goshen
Granby
Hadley
Hatfield
Huntington
Middletown
Northampton
Pelham
Plainfield
Southampton
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Ware
Westhampton
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Medfield
Medway
Millis
Norfolk
Norwood
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Sharon
Walpole
Westwood
Wrentham

Adams
Alford
Becket
Cheshire
Clarksburg
Dalton
Egremont
Florida
Gr. Barrington
Hancock
Hinsdale
Lanesborough
Lee
Lenox
Monterey
Mt. Washington
New Ashford
New Marlborough
North Adams
Otis
Peru
Pittsfield
Richmond
Sandisfield
Savoy
Sheffield
Stockbridge
Tyringham
Washington
West Stockbridge
Williamstown
Windsor

Carver
Duxbury
Halifax
Hanover
Kingston
Marshfield
Pembroke
Plymouth
Plympton
Rockland

Braintree
Cohasset
Hingham
Hull
Milton
Norwell
Quincy
Randolph
Weymouth

Beverly
Danvers
Essex
Gloucester
Hamilton
Ipswich
Lynn
Lynnfield
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Salem
Saugus
Swampscott
Topsfield
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Dudley
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Oxford
N. Brookfield
Sturbridge
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Nantucket
Oak Bluffs
Orleans
Provincetown
Sandwich
Tisbury
Truro
Wellfleet
West Tisbury
Yarmouth

2. Technical Advice

State Manpower Services Council,
Department of Manpower Development,
Charles F. Hurley Building
4th Floor
Boston, MA 02114.
Contact: Jim Keefe, Community Development Section
(617) 727-1916

U.S. Department of Labor
Regional Information Office,
John F. Kennedy Building,
Boston, MA 02203
(617) 223-6767

Department of Labor and Industries,
100 Cambridge St.,
Boston, MA 02202
(617) 727-3452

Citizens Housing and Planning Association
7 Marshall Street,
Boston, MA 02108
(617) 742-3720

3. Funding Agencies — Other Programs

U.S. Department of Housing and Urban Development (HUD)
Massachusetts Area Office
15 New Chardon Street
Boston, MA 02114
(617) 223-4100

U.S. Department of Housing and Urban Development (HUD)
Regional Office
John F. Kennedy Building
Boston, MA 02203
(617) 223-4347

Farmers Home Administration (FMHA)
Massachusetts District Office
358 North Pleasant Street
Amherst, MA 01002
Contact: Rodney Haggart
(413) 549-2820

Department of Community Affairs
Office of Planning, Policy and Program Development
Saltonstall Building
100 Cambridge Street
Boston, MA 02202
(617) 727-3264

Associated Foundations of Greater Boston,
295 Washington St.,
Boston, MA
(617) 426-2606

